

Financial

well-being

for every member



**KATAHDIN
FEDERAL
CREDIT UNION**

A financial institution with a clear vision

ANNUAL REPORT 2023

Chairman's report

This past year has been filled with many changes for our credit union; we said goodbye to some of our long-term employees that have retired, and welcomed new faces to the credit union family. Services continue to evolve, too. We are continuously working to improve our product and service offerings, making it easier to do business with us— both in person and remotely. Over the past several years, we may have changed the way we do business, but our objective remains the same— we want to help our members achieve their financial/life goals by providing the products and services they need.

We would like to express our gratitude to our members for another successful year, despite the many economic challenges. Thank you to our Board of Directors for their continued support. Also, thank you to our leadership team and staff for their many hours of work maintaining our goals and supporting our founding purpose— People Helping People.

Sincerely,

Rodney W. Daigle, Sr.

Chairman of the Board

BOARD OF DIRECTORS

Rodney W. Daigle, Sr., *Chairman*

Bernadette Friel, *Vice Chairman*

Gary Dumas, *Treasurer*

Joe Clark, *Secretary*

Dorothy Howard

Hal Cote

Patrick Sturtevant

Marjorie King

Sandra Willard

Theresa Coffin, *Honorary Director*

SUPERVISORY COMMITTEE

Marjorie King, *Chairman*

Joyce Phelan

Brenda Bernardini

Nicole Brennan

president's report

Our member's financial well-being is always a top priority at KFCU. We know that financial wellness goes hand and hand with a person's quality of life. We work hard to provide our members with the resources they need— whether it be by providing the products that help them reach their goals, offering services that simplify money management, or by providing financial education to help our members make informed decisions. Good financial health can bring about a general peace of mind—which we all could use in these hectic times.

We understand that convenient services make everyone's lives a little easier, and our members recognize this by taking advantage of our online offerings. Business can be conducted from the comfort of your home, the office, or even while on vacation. Members can electronically sign documents, deposit checks remotely, pay bills, transfer funds, and apply for a loan without leaving home. As of March 2024, we have 3663 members using our online/mobile banking, and this number continues to grow. As technology continues to evolve, we will be looking for ways to improve upon these services.

We believe in the holistic approach to promoting the well-being of our communities. In 2023, we continued our fight against food insecurity. Our commitment to Maine Credit Unions' Campaign for Ending Hunger grows stronger every year. This year our staff's Social Responsibility Committee raised over \$19,000 for the program. Our golf tournament, which was held in September, was another success and various other fundraisers were held throughout the year. Funds raised through this campaign stay in the local communities. We are aware that a number of families face food insecurity and this is just another way KFCU can help. We are devoted to the communities we serve and hope to continue our efforts in this campaign.

This past year we also dedicated efforts to our financial literacy goals. Throughout the year, we sponsored various financial workshops with the Millinocket Memorial Library. The workshops were well received. We also organized a Financial Fitness Fair with the Northern Penobscot Chapter of Credit Unions at the local high school. Students from five area high schools participated.

Financially, 2023 was another successful year for KFCU. We maintained a healthy capital ratio of 15.07%, well above the 7% threshold regulatory agencies define as "well capitalized." We experienced loan growth of 11.5% and a return on assets of 1.85%. Our assets remained stable at \$95.4 million and our net income for the year was \$1.76 million. The income level is a result of higher interest rates, loan growth and the sale of our insurance agency.

Of course, any organization is only as good as its people, and we are fortunate to have the most loyal directors, dedicated staff and wonderful members. Thank you all for your support throughout the year. We value each and every one of you and look forward to serving you for many years to come. Thank you for your membership!

Sincerely,

Tina Jamo

President/CEO

supervisory committee report

The Supervisory Committee has the responsibility to ensure that our Credit Union is operated in compliance with all applicable rules and regulations and in accordance with sound and prudent business practices.

In fulfilling our responsibilities, the committee has personally performed numerous tests and has reviewed Credit Union records on a monthly basis. The committee has also engaged the certified public accounting firm of Wipfli LLP to perform a comprehensive annual audit for fiscal year 2023. In addition, the examiners from the National Credit Union Administration, our Federal Regulatory Agency, also conduct an examination of the Credit Union.

Based upon these audits and reviews, it is our opinion that our Credit Union remains well capitalized and continues to meet the needs of our members.

Respectfully submitted,

Marjorie King, *Chairperson*

Committee Members

Joyce Phelan

Brenda Bernardini

Nicole Brennan



credit union affiliate

Single Source Financial Centre

For over twenty-nine years, Single Source Financial Centre has been providing investment services and planning alternatives to members of Katahdin Federal Credit Union through Raymond James Financial Services, Inc. Through our strategic association, members can take advantage of a personalized financial plan designed specifically by a trusted Raymond James advisor.

Products include:

- IRAs-Traditional and Roth
- Annuities, Variable and Fixed
- Treasuries
- Mutual Funds
- Stocks and Bonds
- Life Insurance
- Long-term Care Insurance
- Investment Counseling
- Retirement Planning
- Tax Planning

Staff

Thomas Duff, *Raymond James Financial Advisor and Registered Representative*

Peggy Armstrong, *Administrative Assistant*

Location

1000 Central Street • Millinocket, ME 04462
207.723.5264 • 888.925.5264

Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC. Securities are:

- Not deposits
- Not insured by NCUA or any other governmental agency
- Not guaranteed by Katahdin Federal Credit Union
- Subject to risk, may lose value

Investment Advisory Services are offered through Raymond James Financial Services Advisors, Inc. Single Source Financial Centre and KFCU are not registered broker/dealers and are independent of Raymond James Financial Services.

Single Source Financial Centre and KFCU are independent of Raymond James Financial Services.

Consolidated Balance Sheets

as of December 31

	2023	2022
Assets		
Cash and Cash Equivalents	\$ 3,309,639	\$ 4,586,566
Other Interest-Bearing Deposits	9,920,000	14,631,000
Investment Securities Available for Sale*	9,720,036	10,001,996
Other Investments	390,836	394,076
Loans to Members, Net of Allowance for Credit Losses**	70,557,059	63,320,871
Accrued Interest Receivable	245,370	189,805
Property and Equipment, Net	317,742	388,761
Intangible Assets, Net	—	209,758
NCUSIF Deposit	793,395	824,032
Other Assets	206,503	314,924
Total Assets	<u>\$95,460,580</u>	<u>\$ 94,861,789</u>
Liabilities and Members' Equity		
Liabilities		
Members' Share and Savings Accounts	\$ 80,590,287	\$ 81,969,506
Accrued Expenses and Other Liabilities	478,803	436,458
Total Liabilities	<u>81,069,090</u>	<u>82,405,964</u>
Members' Equity		
Undivided Earnings	14,885,324	13,176,969
Accumulated Other Comprehensive Loss	(493,834)	(854,788)
Total Katahdin Federal Credit Union and Subsidiaries Members' Equity	<u>14,391,490</u>	<u>12,322,181</u>
Noncontrolling Interest	—	133,644
Total Members' Equity	<u>14,391,490</u>	<u>12,455,825</u>
Total Liabilities and Members' Equity	<u>\$ 95,460,580</u>	<u>\$ 94,861,789</u>

* Amortized cost of \$10,213,870 and \$10,856,784 at December 31, 2023 and 2022, respectively

** Losses of \$307,956 and \$182,716 at December 31, 2023 and 2022, respectively

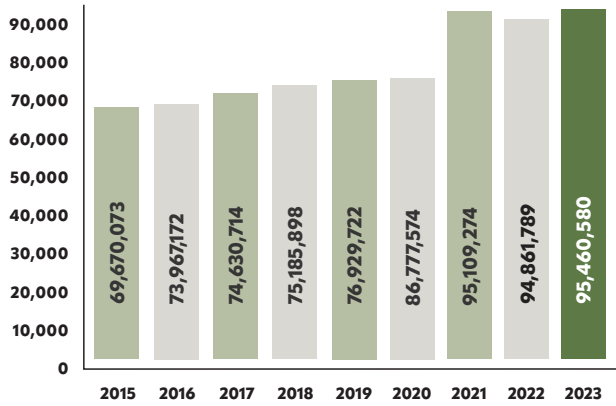
Consolidated Statements of Income

as of December 31

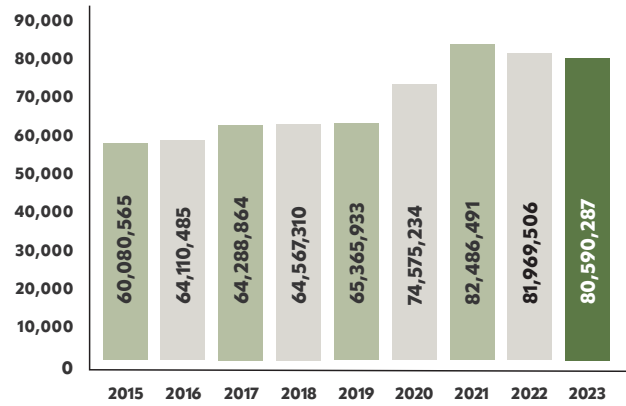
	2023	2022
Interest Income		
Interest on Loans	\$ 4,012,347	\$ 3,105,219
Interest on Investment Securities/Other Interest-Bearing Deposits	541,823	392,380
Total Interest Income	4,554,170	3,497,599
Interest Expense		
Members' Shares and Savings Accounts	505,483	254,139
Total Interest Expense	505,483	254,139
Net Interest Income	4,048,687	3,243,460
Provision for Credit Losses	89,044	29,228
Net Interest Income After Provision for Credit Losses	3,959,643	3,214,232
Non-Interest Income		
Servicing Fees	608,668	573,705
Other Income	149,002	233,949
Commissions and Fees	120,279	779,857
Gain on Sale of Katahdin Gateway Insurance, LLC	985,312	—
Total Non-Interest Income	1,863,261	1,587,511
Non-Interest Expense		
Payroll	1,317,093	1,536,441
Employee Benefits and Payroll Taxes	374,377	381,169
Office Operating Expense	439,251	421,668
Professional and Outside Services	521,907	492,580
Loan Servicing	441,880	362,822
Depreciation and Amortization	105,339	153,532
Educational and Promotional	88,696	97,320
Occupancy	165,361	143,094
Loss on Sale of Collateral Held in Process of Liquidation	7,011	8,260
Travel and Conference	35,615	29,055
Supervision and Exam	15,887	15,182
Other	89,619	119,134
Total Non-Interest Expense	3,602,036	3,760,257
Net Income	2,220,868	1,041,486
Less Net Income Attributable to the Noncontrolling Interest	457,537	132,702
Net Income Attributable to Katahdin Federal Credit Union and Subsidiary	\$ 1,763,331	\$ 908,784

financial graphs

ASSETS




SHARES



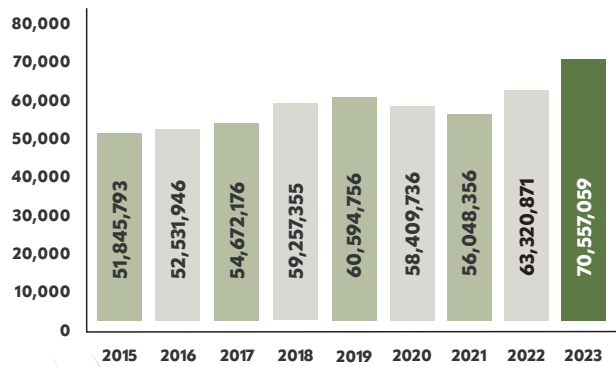
 **698**
AUTO AND
RV LOANS

 **37**
FIRST AND
SECOND
MORTGAGES

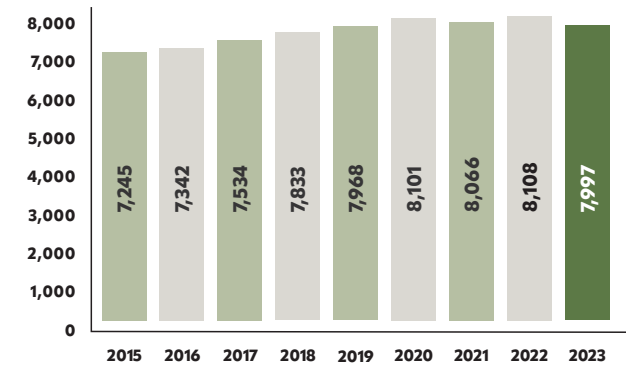
 **44**
NEW
HELOCS

 **40,901**
VISA SCORE CARD
CASH BACK REBATES

NET LOANS



MEMBERS



2023 community giving

Supporting our communities through collaboration, funding and support



\$10,000

PRESENTED IN HIGH SCHOOL SCHOLARSHIPS



\$19,000+

RAISED FOR MAINE CREDIT UNIONS' CAMPAIGN FOR ENDING HUNGER

- MRH Legacy Medical Foundation Endowment in honor of Herbie Clark
- Raised funds for local food pantries through coin machine donations
- Sponsored financial literacy workshops at the Millinocket Memorial Library
- Sponsored Financial Fitness Fair
- Contributed to Stearns High School Boys and Girls Basketball travel suits
- Contributed to Granite Street School playground and basketball court equipment
- Sponsored the Molunkus Christmas Parade and Rubber Duck Race
- Sponsored the Schenck High School Festival of Trees
- Sponsored Katahdin Elementary School Festival of Trees
- Collaborated with Brookfield US Foundation to "Provide Warmth to the Katahdin Region"
- Sponsored the Millinocket Memorial Library Summer Reading Program
- Sponsored the Mount Katahdin Basketball Camp
- Sponsored Maine Credit Unions' Ending Hunger Golf Tournament
- Sponsored The County Open Golf Tournament to benefit local charities
- Sponsored Millinocket Elks Charities Golf Tournament
- Supported Youth Athletics: Little League, Little Giant Football and Little Pro
- Contributed to Island Falls Recreation Department basketball uniforms
- Supported Student Activities including Region III Skills Competition, Chem Free Parties, Proms, Girls/Boys State
- Sponsored Performing Art Boosters
- Supported Chamber of Commerce initiatives
- Sponsored the Swish Out Childhood Cancer Challenge
- Supported the Summit Project
- Sponsored Boreal Theater musical event
- Sponsored Town of East Millinocket Summerfest
- Sponsored "Finding Our Voices" presentation
- Contributed to the Travis Mills Foundation
- Contributed to Lewiston Strong Relief Fund
- Sponsored the Friends of the Millinocket Memorial Library Auction

hours, locations and services

Lobby

9:00 AM – 5:00 PM
(Unless otherwise posted)

Drive-Up Window

Open Daily 8:00 AM – 5:00 PM

ATM

ATM at both locations available
24 hours a day, 7 days a week

Night Depository

Locations

1000 Central Street
Millinocket, ME 04462
207.723.9718 • fax: 207.723.8426

1068 Crystal Road
Island Falls, ME 04747
207.463.3661 • fax: 207.463.3763

Toll Free 800.451.9145
support@katahdinfcu.org

www.katahdinfcu.org

Services

- Savings Accounts
- Checking Accounts
- Club Accounts
- IRA Accounts—Traditional, Roth, Coverdell Education Savings Account
- Share Certificates
- IRA Certificates-Traditional, Roth, Coverdell Education Savings Account
- Health Savings Account
- Money Trek Youth Savings Program
- Real Estate Loans
- Auto and RV Loans
- Home Equity Loans and HELOC
- Streamlinesm—Line of Credit/Overdraft Protection
- Signature Loans
- Share and Certificate Secured Loans
- Business Loans
- Visa[®] Cards/Classic and Gold
- Apple Pay[®]
- Money Connectionsm Audio Response
- Home Banking and Bill Payer
- Mobile Connection
- Remote Deposit Capture
- Mobile Lending
- CO-OP Shared Branching
- CU24sm Visa[®] Debit Cards
- Visa[®] Gift Cards
- Direct Deposit
- Payroll Deduction
- Money Orders
- Notary Services
- Wire Transfers
- Safe Deposit Boxes
- Debt Protection Programs
- GAP (Guaranteed Auto Protection Program)
- Route 66 Extended Warranty Program





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Federally Insured by NCUA